

## Regulatory Improvement Workplan

# Accessory Short-term Rentals



## Regulatory Improvement Code Amendment Package 6

### (RICAP 6)

This report exhibit represents only the code amendments pertaining to Accessory Short-term Rentals. Other RICAP 6 items are addressed under a separate ordinance and exhibit.

**Recommended Draft**

July 2014



Bureau of Planning and Sustainability  
Innovation. Collaboration. Practical Solutions.

City of Portland, Oregon  
Charlie Hales, Mayor • Susan Anderson, Director



---

**Regulatory Improvement  
Code Amendment Package 6  
Accessory Short-term Rentals**

---

The Bureau of Planning and Sustainability is committed to providing equal access to information and hearings. If you need special accommodation, please call 503-823-7700, the City's TTY at 503-823-6868, or the Oregon Relay Service at 1-800-735-2900.





**Bureau of Planning and Sustainability**  
Innovation. Collaboration. Practical Solutions.

## Portland Planning and Sustainability Commission

André Baugh, Chair

Katherine Schultz, Vice Chair

Howard Shapiro, Vice Chair

Karen Gray

Gary Oxman

Don Hanson

Michelle Rudd

Mike Houck

Chris Smith

May 13, 2014

Mayor Charles Hales and Members of Portland City Council  
Portland City Hall  
1221 SW Fourth Avenue  
Portland, OR 97204

Dear Mayor Hales and City Commissioners:

On April 22, 2014, the Planning and Sustainability Commission (PSC) held a public hearing on the Regulatory Improvement Code Amendment Package 6 (RICAP 6). The PSC determined to split the package and vote on two separate components.

The first recommendation addressed many technical and minor amendments to the Portland Zoning Code. The amendments address a variety of subjects, including Radio Frequency Transmission Facilities, historic landmarks located in the public right-of-way, temporary activities, review processes for environmental resource projects and revocable permits. With one minor change to staff's proposal, the Commission voted 9-0 to recommend approval of these amendments.

The second vote was specific to the proposed short-term rental regulations. The Commission voted 8-1 to recommend approval of the proposed amendments to allow one- or two-bedrooms to be rented in a home to overnight guests through a simple permit process. This issue garnered the most testimony and discussion, and we would like to convey the collective thoughts of this Commission to Council members.

*We are excited about the City's exploration into the shared economy.*

As a leader in promoting sustainable practices, Portland is well-positioned to foster innovations that allow better utilization of existing resources. One such innovation is the use of technology to facilitate peer-to-peer networking and commerce. We see the use of Portlanders' spare bedrooms as a way to let the market evolve and offer options for Portlanders' to supplement their income, while offering visitors greater access to our city.

*We see an important role for these regulations.*

The Commission is pleased to recommend amendments that provide clarity to operators of short-term rentals and neighbors, and right-sizes the review procedure with the level of impact of smaller (one- and two-bedroom) short-term rentals.

We heard concerns about the requirement for a City inspection as part of obtaining a permit to allow short-term rentals. In fact, members of the Commission expressed concerns about the parity and consistency of such inspections. However, we acknowledge that the traveling public will be



City of Portland, Oregon | Bureau of Planning and Sustainability | [www.portlandoregon.gov/bps](http://www.portlandoregon.gov/bps)  
1900 SW 4th Avenue, Suite 7100, Portland, OR 97201 | phone: 503-823-7700 | fax: 503-823-7800 | tty: 503-823-6868

Printed on 100% post-consumer waste recycled paper.

sleeping in unfamiliar surroundings and are at a disadvantage for evacuating a building in case of an emergency. Because it is a key function of the City to ensure buildings are safe and the public is protected, we concluded that it would be imprudent to issue permits for short-term rentals without ensuring that basic safety measures were in place. Therefore, the inspection requirement remains a part of the recommendation.

Similarly, having hosts notify their neighbors as a requirement to obtain a short-term rental permit is a reasonable precaution to ensure accountability, strengthen neighbor networks and ensure that neighbors know who the point-of-contact is.

We'd like to underscore the importance that short-term rentals only be allowed within a primary residence. This ensures that the dwelling unit still provides housing to a long-term resident.

We discussed, as some testifiers suggested, adding a requirement that the host be required to remain at the property while there are overnight guests staying there. However, we found that the types of short-term rental arrangements vary widely and that dictating the amount of time the host would need to be on-site adds an unreasonable amount of regulatory complexity. However, the Commission felt that the application materials and handouts would benefit from including information about the importance of the host being accessible to guests and neighbors and should also provide examples of behavior that could result in a permit being revoked.

*We are concerned about the potential for unintended consequences and impacts.*

This is a new industry. The potential impact on housing, rental and Portland's housing affordability are uncertain, which led one commissioner to cast the single dissenting vote. The Commissioner questioned the potential impacts of short-term rentals on the rental market and on housing affordability. Basic economics tell us that factors that increase the value of a commodity, while supply remains the same, will drive prices up. The concern is that by allowing short-term rentals in residences, the price of home ownership and rental housing could increase overall. In other words, the allure of higher short-term rental rates could continue to move more households from offering long-term roommate opportunities toward the short-term rental market. This, he reasoned, could have the unintentional consequence of contributing to Portland's affordable housing problem. And he did offer to amend the proposal to sunset the allowance for short-term rentals while a study is conducted to better understand the impacts, if any.

Other members of the Commission share our colleague's commitment to protect vulnerable and lower-income populations from disproportionate impacts of proposed regulations. Despite this concern, the Commission is comfortable advancing the recommendation because short-term rentals are only allowed in units with a permanent resident, there are relatively few short-term rentals compared to the entire housing stock (less than .8%), and because they are currently allowed through a Conditional Use Review.

In conclusion, we believe the Commission's recommendation strikes the necessary balance between protections for visitors and neighbors, while allowing reasonable flexibility for existing and future operators of short-term rentals.



### Recommendations

The Portland Planning and Sustainability Commission recommends that City Council take the following actions:

1. Adopt the *RICAP 6: Recommended Draft*, dated May 2014; and
2. Amend the Zoning Code (Title 33) as shown in *RICAP 6: Recommended Draft*.

Thank you for the opportunity to participate in the review of this project and for considering our recommendations.

Sincerely,



Andre' Baugh, Chair  
Portland Planning and Sustainability Commission



## Acknowledgements

### Portland City Council

Charlie Hales, *Mayor*  
 Nick Fish, *Commissioner*  
 Amanda Fritz, *Commissioner*  
 Steve Novick, *Commissioner*  
 Dan Saltzman, *Commissioner*

### Portland Planning and Sustainability Commission

André Baugh (Chair)  
 Katherine Schultz (Vice Chair)  
 Howard Shapiro (Vice Chair)  
 Karen Gray  
 Don Hanson  
 Mike Houck  
 Gary Oxman  
 Michelle Rudd  
 Chris Smith

### Bureau of Planning and Sustainability

Charlie Hales, *Mayor, Commissioner-in-charge*  
 Susan Anderson, *Director*

### Project Staff

Sandra Wood, *Supervising Planner*  
 Morgan Tracy, *Project Manager*  
 Shannon Buono, *Senior Planner*  
 Julia Gisler, *City Planner*  
 Phil Nameny, *City Planner*

### Other Contributors

#### ***Bureau of Development Services***

Chris Caruso  
 Stacey Castleberry  
 Sylvia Cate  
 Kristin Cooper  
 Jill Grenda  
 Douglas Hardy  
 Catherine Heeb  
 Tim Heron  
 Mike Liefeld  
 Doug Morgan  
 Amanda Rhoads  
 Emily Sandy  
 Kathleen Stokes  
 Susan van Staveren  
 Sean Williams

#### ***Bureau of Transportation***

Kurt Krueger  
 David O'Longaigh

#### ***Bureau of Environmental Services***

Dawn Hottenroth  
 Elisabeth Reese Cadigan

#### ***Office of Management and Finance***

Betsy Ames  
 Scott Karter  
 Terri Williams

#### ***Office of Neighborhood Involvement***

Jacob Brostoff  
 Stephanie Reynolds  
 Amy Archer

Paul van Orden

Theresa Marchetti

#### ***Portland Development Commission***

Shelley Midthun

# Table of Contents

- I. **Introduction** ..... 9
  - Short-Term Rental/Bed and Breakfast Amendments Summary
  - RICAP 6 Process
  
- II. **Amendments to the Zoning Code**..... 15
  - Code Index for Short-Term Rental/Bed and Breakfast Bundle
  
- III. **Amendments to other Titles of City Code** .....47
  - Title 3 Administration
  - Title 6 Special Taxes



## I. Introduction

### Short-term Rental/Bed and Breakfast Amendments Summary

This package of code amendments pertaining to accessory short-term rentals/bed and breakfast facilities was initially included as a bundle in the Regulatory Improvement Code Amendment Package 6 (RICAP 6). Bundles are groups of related items that focus on similar policy issues. There are five bundles in RICAP 6: Mechanical Equipment, Fence Height, Short-term Rental/Bed & Breakfast, Temporary Activities, and Columbia South Shore Plan District. The amendments pertaining to the short-term rental bundle were eventually separated from the remaining RICAP 6 items as interest in this topic grew.

The short-term rental amendments respond to issues raised from the dramatic increase in the number of residences being rented informally on a short-term basis (fewer than 30 days) through Internet sites such as Airbnb and HomeAway. In Portland, Airbnb has the largest concentration of listings: over 1,600 today (up from 107 in January 2011). The most common listings are from hosts who live on their property and offer a bedroom for rent in their home. This is a new way of providing visitor lodging accommodations and Portland, like many cities, is determining how to regulate these short-term rentals.

The amendments create a new Accessory Short-Term Rental permit that will allow a resident to rent one to two bedrooms in their house, attached house, duplex, manufactured home or accessory dwelling unit to overnight guests. Currently, the Zoning Code requires a conditional use review for all bed and breakfast facilities regardless of their size. The proposed permit process offers smaller scale short-term rentals a less expensive and faster process, while ensuring that the adjacent neighbors are notified of the activity. Three-to-five bedroom short-term rentals will continue to require a conditional use review.

### RICAP 6 Process

#### Background

Portland's current Zoning Code was adopted in 1990. Changing needs, new laws and court rulings, new technology and innovations, and shifting perceptions necessitate that the City's regulations be updated and improved on an ongoing basis. Since 1990 there have been several programs to update the Zoning Code. The most recent of these programs is the Regulatory Improvement Program, which was initiated in 2002 as a way to update and improve City building and land use regulations that hinder desirable development.

One component of the program - Regulatory Improvement Code Amendment Package (RICAP) - was designed to provide an ongoing and rapid vehicle for technical and minor policy amendments to the City's regulations. From 2005 to 2010 City Council adopted five packages of amendments (RICAP 1 through 5), which resulted in many amendments to city regulations. Most of the changes were to Zoning Code regulations. Due to budgetary constraints, the program was suspended in 2010. As part of the fiscal year 2013-2014 budget process, City Council funded a RICAP project.



The process used to develop the workplan for RICAP 6 consisted of:

- Cataloguing potential amendments through an **online database**. These are items suggested by City staff, community members, and others;
- **Ranking each item** to evaluate the impacts of and the ability to improve the regulation, the variety of stakeholders affected, and the geographic range of the issue; and
- **Holding a hearing** before the Planning and Sustainability Commission on August 13, 2013.

For more information on selection of items for the workplan, see the *RICAP 6 Proposed Workplan*, dated July 24, 2013.

## RICAP Item Analysis

Staff conducted an assessment to identify and evaluate positive and negative impacts of possible changes. Staff also reviewed the origin and legislative intent of the existing regulation, identified what sorts of circumstances may have changed since the regulation was first adopted, and evaluated potential code language from both the desired outcome as well as for unintended consequences. This assessment also identified when the regulations did not need to change or when a non-regulatory approach may be a better solution. When a regulatory approach is determined to be appropriate, the regulations are crafted to be simple, clear, and feasible to implement and enforce.

The list of RICAP workplan items that the Planning and Sustainability Commission (PSC) selected for staff to further analyze was more extensive than the items that are contained in the PSC's recommended code amendments. This is due to the fact that RICAP items are researched and evaluated to determine whether an amendment to the zoning code is necessary to either clarify or correct language, or adjust existing policy in order to better achieve a desired outcome.

In some cases, the city opted to not move certain amendment requests forward for a number of reasons. These include:

1. Research indicates that the solution is not worth the costs or added complexity; or that the existing regulation is achieving the desired result;
2. Research shows that the issue is important, but the solution should be decided as part of a more comprehensive project; and/or
3. More information and public input is needed before a solid recommendation can be made.

## Process/Community Involvement

The RICAP 6 amendments reflect comments and testimony from members of the public, agencies and other interested stakeholders. These viewpoints and suggestions have helped to refine the proposal from the early *Public Discussion Draft*, January 2014, to the *Proposed Draft*, March 2014 for the PSC, and the *Recommended Draft*, May 2014 for City Council.

The initial workplan for RICAP 6 was adopted by the PSC at a hearing on August 13, 2013. Notice of the hearing was sent to members of the public interested in regulatory improvement and the city's legislative process and the hearing was open for testimony. The PSC heard testimony from people supporting the inclusion of the short-term rental items.

The *Public Discussion Draft* was published on January 6, 2014 with a seven week comment period that ran through February 21<sup>st</sup>. Public notice was sent to over 750 recipients, and emails were sent to more than 360 people. Over that period, staff met with the Design Commission, Historic Landmarks Commission, the Planning and Sustainability Commission, six neighborhood district coalitions, and two individual neighborhood associations. In addition, staff held a public open house on February 11, 2014 to present more detailed information and respond to specific questions. With one or two exceptions, the approximately 75 people attending the open house were interested in the short-term rental proposals. In total, staff met with nearly 350 members of the public during the *Public Discussion Draft* comment period.

During the *Discussion Draft* comment period, staff received over 100 written comments. Some comments addressed the proposed regulations affecting recreation fields, wireless facilities, accessory home occupations and some technical requests for clarification. A few comments were on issues outside the scope of RICAP 6 and were more related to larger issues being considered with the Comprehensive Plan Update. However, the majority of the comments received pertained to items the Short-Term Rental/Bed and Breakfast bundle.

As a result of comments and questions staff received during the *Public Discussion Draft* comment period, staff reviewed and evaluated the proposed amendments and made additional clarifications to the explanatory commentary and in some cases revised the proposed code language.

Notice of the *Proposed Draft*, March 2014, and the April 22, 2014 PSC public hearing was sent to 771 recipients 30 days prior to the public hearing date to provide the public sufficient opportunity to review the proposal and to deliver testimony on the proposed code amendments to the PSC.

On April 22, 2014, the Planning and Sustainability Commission held a public hearing with approximately 90 people in attendance. The Commission received 102 written letters and emails and heard oral testimony from 37 attendees—the majority focusing on the short-term rental proposals. The Planning Commission recommended the approval of the staff proposed code changes with only minor amendments to the short-term rentals proposals and item #18 of the Radio Frequency Transmission Facilities bundle.

The community had an additional opportunity to review the proposal and provide testimony at the City Council's public June 4, 2014 hearing on this *Recommended Draft*. City Council passed the majority of RICAP 6 on June 4<sup>th</sup> with the exception of the proposed short-term rental regulations. At the conclusion of the June 4<sup>th</sup> Council meeting, the Council agreed to hold the hearing open for the short-term rental proposal to hear additional testimony and scheduled a worksession with Staff for June 24<sup>th</sup>. All councilors were present along with key staff from BPS, BDS and the Revenue Bureau to discuss a number of items and questions related to: scope and frequency of inspections, nonresident operators, whether resident needed to be present when overnight guests are in home, taxing mechanisms, impacts on affordable housing, dedicated vacation rentals (homes where there is no long-term resident) and short-term rentals in multi-dwelling units (e.g., apartments and condominiums).

Council then reconvened on July 2, and following several hours of additional testimony, moved the accessory short-term rental package forward to a hearing on July 23<sup>rd</sup> with the following changes:

- The Bureau of Development Services will inspect the initial application and every 6 years thereafter, or with a change in ownership. The amendment allows for self-certification for the intervening semi-annual renewals.
- Require carbon monoxide alarms, where carbon monoxide sources are present.
- Require that the resident reside in the dwelling unit at least 270 days per year.
- Allow the resident to appoint a designee to operate the short-term rental.
- Require the permit number to be in all advertisements and in the dwelling unit.
- Require Bureau of Planning and Sustainability to return with a monitoring report in September 2016.



## II. Amendments to the Zoning Code

This section of the report contains the amendments to the Zoning Code. The amendments are on the odd-numbered pages. The facing (even-numbered) pages contain commentary about each amendment that provides the legislative intent of the proposed amendment.

Items are arranged in this section following the order they appear in the Zoning Code. For example, items amending portions of the base zone requirements will come before items amending portions of overlay zones or plan districts. The Short-Term Rental/Bed and Breakfast Bundle replaces Chapter 33.212 Bed and Breakfast Facilities with a new Chapter 33.207 Short-Term Rentals and includes amendments in the following Zone Code sections: 33.110 (Single-Dwelling Zones); 33.120 (Multi-Dwelling Zones); 33.203 (Accessory Home Occupations); 33.205 (Accessory Dwelling Units); 33.910 (Definitions); and 33.920 (Descriptions of Use Categories).

Also see amendments to other titles of City Code—Title 3, Administration and Title 6, Special Taxes found in Section III of this report.

### Code Index for Short-Term Rental/Bed and Breakfast Bundle

Code Section	Proposed Change	Page
<i>Base Zones</i>		
33.110.100	Change terminology -from B&B to accessory short-term rental	17
33.110.110	Change terminology -from B&B to accessory short-term rental	17
33.120.100	Change terminology -from B&B to accessory short-term rental	19
33.120.110	Change terminology -from B&B to accessory short-term rental	19
<i>Additional Regulations</i>		
33.203.020-030	Prohibit Type B home occupations on short-term rental sites	21
Ch. 33.212→33.207	Rename chapter, revise regulations for short-term rentals, create Type A (1-2 bedrooms), Type B (3-5 bedrooms)	25
<i>General Terms</i>		
33.910.030	Add “domestic partnership” to definition of household	43
33.920.110	Change terminology -from B&B to accessory short-term rental	45
<i>Other City Titles</i>		
3.30.040	Adds Type A short-term rental permit revocation authority	49
6.04.060	Requires permit or conditional use numbers in all advertising and to be prominently displayed in the rental unit	50

**Items #12, 13, 14: Short-term Rentals****33.110.100 Primary Uses****33.110.110 Accessory Uses**

These amendments replace references to "bed and breakfast facilities" with "accessory short-term rentals" and directs reader to the regulations in chapter 33.207 Accessory Short-Term Rentals.

Language to be **added** is underlined  
 Language to be **deleted** is shown in ~~strike through~~

**CHAPTER 33.110**  
**SINGLE-DWELLING ZONES**

**33.110.100 Primary Uses**

**A.-B.** [No change]

**C. Conditional uses.**

1. [No change]
2. ~~Bed and breakfast facilities~~ Accessory short-term rentals. ~~Bed and breakfast facilities~~ Accessory short-term rentals are accessory uses ~~which are regulated as that may require a conditional uses reviews.~~ See Chapter 33.207~~212~~.

**D.** [No change]

**33.110.110 Accessory Uses**

Accessory uses to a primary use are allowed if they comply with all development standards. Accessory home occupations, accessory dwelling units, and ~~bed and breakfast facilities~~ accessory short-term rentals have specific regulations in Chapters 33.203, 33.205, and 33.212~~207~~ respectively.

**Items #12, 13, 14: Short-term Rentals****33.120.100 Primary Uses****33.120.110 Accessory Uses**

These amendments replace references to "bed and breakfast facilities" with "accessory short-term rentals" and directs reader to the regulations in chapter 33.207 Accessory Short-Term Rentals.

Language to be **added** is underlined  
 Language to be **deleted** is shown in ~~strike through~~

**CHAPTER 33.120  
 MULTI-DWELLING ZONES**

**33.120.100 Primary Uses**

**A.-B.** [No change]

**C. Conditional uses.**

1. [No change]

2. ~~Bed and breakfast facilities~~ Accessory short-term rentals. ~~Bed and breakfast facilities~~ Accessory short-term rentals are accessory uses ~~which are regulated as that may require a conditional uses reviews.~~ ~~Some exceptions may apply in the RX zone.~~ See Chapter 33.207~~212~~.

**D. Prohibited uses.** [No change]

**33.120.110 Accessory Uses**

Uses that are accessory to a primary use are allowed if they comply with all regulations for that use and all applicable development standards. In addition, some specific accessory uses have additional requirements as indicated below.

**A. Accessory home occupations, accessory dwelling units, and ~~bed and breakfast facilities~~ accessory short-term rentals.** Accessory uses to a primary use are allowed if they comply with all development standards. Accessory home occupations, accessory dwelling units, and ~~bed and breakfast facilities~~ accessory short-term rentals have specific regulations in Chapters 33.203, 33.205, and 33.207~~12~~ respectively.

**B.-C.** [No change]

## Items #12, 13, 14: Short-term Rentals

### 33.203.020 Description of Type A and Type B Accessory Home Occupations

Technical amendments to Chapter 33.203, Accessory Home Occupations replace references to "bed and breakfast facilities" with "accessory short-term rentals" and directs reader to the regulations in chapter 33.207 Accessory Short-Term Rentals.

### 33.203.030 Use-Related Regulations

Type B home occupations allow up to 8 customers a day or a nonresident employee. The amendment adds an additional prohibition from having both a Type B home occupation permit and an accessory short-term rental. In essence, a household must choose between having a home occupation OR renting out rooms on a less than monthly basis in order to limit the activity and impacts associated with a single household.

This restriction is intended to apply to both accessory short-term rentals and what were formerly referred to as bed and breakfast facilities. Note that bed and breakfast facilities/Type B accessory short-term rentals may request employees as part of their conditional use review.

Language to be **added** is underlined  
 Language to be **deleted** is shown in ~~strike through~~

### **CHAPTER 33.203 ACCESSORY HOME OCCUPATIONS**

#### **33.203.020 Description of Type A and Type B Accessory Home Occupations**

There are two types of home occupations, Type A and Type B. Uses are allowed as home occupations only if they comply with all of the requirements of this chapter.

- A. Type A.** A Type A home occupation is one where the residents use their home as a place of work; however, no employees or customers come to the site. Examples include artists, crafts people, writers, and consultants. Type A home occupations also provide an opportunity for a home to be used as a business address but not as a place of work.
- B. Type B.** A Type B home occupation is one where the residents use their home as a place of work, and either one employee or customers come to the site. Examples are counseling, tutoring, and hair cutting and styling.
- C. ~~Bed and breakfast facility~~ Accessory short-term rentals.** ~~Bed and breakfast facilities are exempt from the regulations of this chapter. The regulations for bed and breakfast facilities~~ accessory short-term rentals are stated in Chapter 33.212207.
- D. Family daycare.** Family daycare for up to 16 children, including the children of the provider, is exempt from the regulations of this chapter as required by ORS 657A.440.

#### **33.203.030 Use-Related Regulations**

- A. Allowed uses.** [No change]
- B. Prohibited uses.**
  - 1.-2. [No change]
  - 3. A Type B accessory home occupation is prohibited in a residence with an accessory dwelling unit
  - 4. A Type B accessory home occupation is prohibited in a dwelling unit with any accessory short-term rental.
- C. Additional Type B home occupation regulations.** [No change]

**Items #12, 13, 14: Short-term Rentals****33.205.030 Design Standards**

Technical amendments to Chapter 33.205, Accessory Dwelling Units replaces the reference to "bed and breakfast facilities" with "accessory short-term rentals". It also clarifies the relationship between accessory dwelling units and accessory short-term rentals.

Language to be **added** is underlined  
Language to be **deleted** is shown in ~~strike through~~

**CHAPTER 33.205**  
**ACCESSORY DWELLING UNITS**

**33.205.030 Design Standards**

**A.-B.** [No change]

**C. Requirements for all accessory dwelling units.** All accessory dwelling units must meet the following:

1.-2. [No change]

3. Other uses.

- a. Type B home occupation. An accessory dwelling unit is prohibited on a site with a Type B home occupation.
- b. Type A accessory short-term rental. An accessory dwelling unit is allowed on a site with a Type A accessory short-term rental.
- c. Type B accessory short-term rental. An accessory dwelling unit is allowed on a site with ~~an approved Bed and Breakfast facility~~ Type B-accessory short-term rental if the accessory dwelling unit meets the standards of Paragraph 33.815.040.B.1.

4.-11. [No change]

**D.** [No change]

## Items #12, 13, 14: Short-term Rentals

### CHAPTER 33.207 ACCESSORY SHORT-TERM RENTALS

Recently, there has been a dramatic increase in the number of residences being rented informally on a short-term basis through internet sites such as Airbnb and Home Away. In Portland, for example, Airbnb lists over 1,600 today, up from 107 in January 2011. The most common listings are from hosts who live on their property and offer a bedroom for rent on a nightly basis in their residence. This is a new way of providing visitor lodging accommodations and many cities are determining how to regulate these short-term rentals.

In Portland, rentals of less than 30 days are considered short-term and renting up to five bedrooms is allowed through the Bed and Breakfast Facility chapter of the Zoning Code. The process requires a Type II Conditional Use Review approval, which is a discretionary decision, costs \$4130, takes approximately eight to ten weeks for the review, and includes a public notice and opportunity to appeal staff's decision to the Portland's Hearings Officer.

This proposal offers smaller scale short-term rentals a less expensive and faster process, while ensuring that adjacent neighbors are notified of the activity. Key features of this proposal are:

- Move the regulations in Chapter 33.212, Bed and Breakfast (B&B) Facilities to a new chapter; Chapter 33.207, Accessory Short-Term Rentals.
- Define Accessory Short-Term Rentals as one where "an individual or family resides in a dwelling unit and rents bedrooms to overnight guests for fewer than 30 days."
- Distinguish Type A Accessory Short-Term Rentals (one- and two-bedroom rentals) from Type B Accessory Short-Term Rentals (three to five bedrooms).
- Provide a new by-right (non-discretionary) process and set of standards for Type A Accessory Short-Term Rentals, while retaining the existing Bed and Breakfast (B&B) Facilities process (Type II Conditional Use) and regulations for the Type B Accessory Short-Term Rentals.

#### 33.207.010 Purpose

Revisions to the purpose statement reflect that the regulations of this chapter have been expanded to address, in addition to traditional bed and breakfast facilities, the increased number of smaller accessory short-term rentals where overnight guests are hosted in individual residences. Therefore, references to "large" and "older" houses have been deleted.

"Proprietor"—one who owns the business—has been replaced with "operator"—the resident or the resident's designee that operates the short-term rental—throughout this chapter.

#### 33.207.020 Description and Definitions

- A. **Description.** Accessory short-term rentals have been divided into two types based on the number of bedrooms that are being rented: Type A (one and two bedrooms) and Type B (3 to 5 bedrooms). The description has also been expanded to encapsulate houses as well as attached homes, manufactured homes on their own lots, duplexes, and accessory dwelling units.

Language to be **added** is underlined  
 Language to be **deleted** is shown in ~~strike through~~

**CHAPTER 33.212207**  
**ACCESSORY SHORT-TERM RENTALS ~~BED AND BREAKFAST FACILITIES~~**

Sections:

- 33.212207.010 Purpose
- 33.212207.020 Description and Definitions
- 33.212207.030 Where These Regulations Apply
- 33.212207.040 Type A Accessory Short-Term Rentals~~Use Related Regulations~~
- 33.212207.050 Type B Accessory Short-Term Rentals~~Site Related Regulations~~
- ~~33.212.060 Conditional Use Review~~
- 33.212207.0670 Monitoring
- 33.212207.0780 Pre-Established Bed and Breakfast Facilities

**33.212207.010 Purpose**

This chapter provides standards for the establishment of ~~bed and breakfast facilities~~ accessory short-term rentals. The regulations are intended to allow for a more efficient use of ~~large, older houses, certain types of residential structures in residential areas if the neighborhood character is preserved to maintain both the residential neighborhood experience and the bed and breakfast experience. These regulations enable owners to maintain large residential structures in a manner which keeps them primarily in residential uses, and without detracting from neighborhood character. In some situations, the proprietor-operator can take advantage of the scale and often the architectural and/or historical significance of a residence. The regulations also provide an alternative form of lodging for visitors who prefer a residential setting.~~

**33.212207.020 Description and Definitions**

- A. Description. ~~Bed and breakfast facility.~~** An accessory short-term rental~~bed and breakfast facility~~ is one where an individual or family resides in a dwelling unit~~house~~ and rents bedrooms to overnight guests for fewer than 30 days. There are two types of accessory short-term rental: A bed and breakfast facility may also have visitors and non-resident employees.

1. Type A. A Type A accessory short-term rental is where no more than 2 bedrooms are rented to overnight guests.
2. Type B. A Type B accessory short-term rental is where 3 or more bedrooms are rented to overnight guests.

## Items #12, 13, 14: Short-term Rentals

### 33.207.020 Descriptions and Definitions (continued)

#### B. Definitions

City Council made an amendment to the Planning and Sustainability Commission's recommendation to allow a resident's designee to manage the accessory short-term rental in addition to only the resident. For clarification definitions have been added to distinguish between the resident and the operator—who can be the resident or a designee of the resident.

Reference to zones where Retail Sales And Services uses are not prohibited has been moved to 33.207.030 Where These Regulations Apply.

### 33.207.030 Where These Regulations Apply

This section provides guidance on what regulations apply to a short-term rental. To address homes located in commercial and employment zones where retail sales uses are allowed, an applicant may choose whether to abide by the regulations of this chapter (a use accessory to household living) or alternatively meet requirements for a retail sales and service primary use.

### 33.207.040 Type A Accessory Short-Term Rentals

These regulations list the use and development standards that apply to the accessory short-term rentals with up to two bedrooms rented to overnight guests. It should be noted that although the section is shown as all new, many of the standards are adapted from the existing Bed and Breakfast Facilities chapter. Strike thru and underline begins again at 33.207.050 Type B Accessory Short Term Rentals.

#### A. Use-related regulations

1. **Accessory use.** This regulation ensures that the short-term rental is accessory to the Household Living use and continues to provide housing to long-term residents. This standard sets a threshold for long-term residents that wish to operate a short-term rental by requiring the resident to occupy the dwelling unit used for a short-term rental at least 270 days (roughly 9 months) during each calendar year. It also sets a limit to the number of nights a resident can have paying overnight guests and not be present in the unit to a little over 3 months.

In the case of a duplex, the resident must live in the unit in which the bedrooms are rented to overnight guests and may not rent a non-occupied unit as a short-term rental.

Language to be **added** is underlined  
 Language to be **deleted** is shown in ~~strike~~through

**B. ~~Definitions. Retail Sales And Service use.~~** For the purposes of this chapter, the following words have the following meanings:~~In zones where Retail Sales And Service uses are allowed, limited or conditional uses, a bed and breakfast facility is defined as a hotel and is included in the Retail Sales And Service category.~~

1. Resident. The individual or family who resides in the dwelling unit. The resident can be the owner or a long-term renter.
2. Operator. The resident or a person or entity that is designated by the resident to manage the accessory short-term rental.

### **33.212207.030 Where These Regulations Apply**

The regulations of this chapter Sections 33.212.040 through 33.212.080 apply to ~~bed and breakfast facilities~~ accessory short-term rentals in the R-all zones. ~~In the RX and RH zones, where Retail Sales And Service uses a limited amount of commercial uses are allowed, limited by right or by conditional uses, a bed and breakfast facility~~ accessory short-term rentals may be regulated either as a Retail Sales And Service use, or as ~~a bed and breakfast facility~~ an accessory short-term rental under the regulations of this chapter. The decision is up to the applicant.

### **33.212207.040 ~~Type A Accessory Short-Term Rentals~~ Use-Related Regulations**

#### **A. Use-related regulations.**

1. Accessory use. A Type A accessory short-term rental must be accessory to a Household Living use on a site. This means that a resident must occupy the dwelling unit for at least 270 days during each calendar year, and unless allowed by Paragraph .040.B.2 or .040.B.3, the bedrooms rented to overnight guests must be within the dwelling unit that the resident occupies.
2. Permit required. A Type A accessory short-term rental requires a Type A accessory short-term rental permit per Subsection 040.C.
3. Allowed structure type. A Type A accessory short-term rental is allowed only in the following residential structure types:
  - a. House;
  - b. Attached house;
  - c. Duplex;
  - d. Manufactured home on its own lot; and
  - e. Accessory dwelling unit.

## Items #12, 13, 14: Short-term Rentals

### B. Standards

2. **Accessory dwelling units.** This standard gives the resident the option of living in an accessory dwelling unit on site. Currently residents are only allowed to live in the house. Accessory dwelling units are only allowed on sites containing a house, attached house or manufactured house (not a duplex).
4. **Bedroom Requirements.** This standard acknowledges that the traveling public will be sleeping in unfamiliar surroundings and are at a disadvantage for evacuating a building in case of an emergency than long term residents. This requirement ensures that basic safety measures are in place through an inspection by the Bureau of Development Services.

City Council directed the Bureau of Development Services to implement this regulation by requiring a site inspection of the bedroom(s) to be used as a short-term rentals for the initial application and every 6 years thereafter, or with a change in ownership. This inspection will be performed by the Bureau of Development Services. As part of the application on the intervening semi-annual renewals the resident may self-certify compliance with the bedroom requirements of 33.12.040.B.4.

5. **Number of residents and overnight guests.** Setting a maximum number of combined residents and overnight guests based on the Zoning Code's definition of household ensures that Type A accessory short-term rentals will not have any more people staying overnight than what is allowed for any household. The household definition is: "one or more persons related by blood, marriage, legal adoption or guardianship, plus not more than 5 additional persons, who live together in one dwelling unit."
7. **Serving food and alcohol to overnight guests.** The reference to the OLCC has been removed and replaced with more generic language that refers to other county or state requirements that may apply to accessory short-term rentals. Compliance with these other regulations is the responsibility of the operator, and typically not a zoning code requirement.

Language to be **added** is underlined  
Language to be **deleted** is shown in ~~strike through~~

- B. Standards.** The following standards apply to Type A accessory short-term rentals. Adjustments are prohibited:
1. Maximum size. A Type A accessory short-term rental is limited to renting a maximum of 2 bedrooms to overnight guests.
  2. Accessory dwelling units. On sites with an accessory dwelling unit, the resident can live in the primary or accessory dwelling unit and rent bedrooms in either dwelling unit, but the maximum number of bedrooms on the site that can be rented to overnight guests is 2.
  3. Detached accessory structures. A bedroom in a detached accessory structure can be rented to overnight guests, and counts toward the maximum size limit.
  4. Bedroom requirements. The Bureau of Development Services must verify that each bedroom to be rented to overnight guests:
    - a. Met the building code requirements for a sleeping room at the time it was created or converted;
    - b. Has a smoke detector that is interconnected with a smoke detector in an adjacent hallway; and
    - c. Is located on the floor of a dwelling unit equipped with a functioning carbon monoxide alarm. If the dwelling unit does not have a carbon monoxide source, then a carbon monoxide alarm is not required.
  5. Number of residents and guests. The total number of residents and guests occupying a dwelling unit with a Type A accessory short-term rental may not exceed the number allowed for a household. For sites with an accessory dwelling unit, the total number of residents and guests occupying both dwelling units may not exceed the number allowed for a household.
  6. Employees. Nonresident employees are prohibited. Hired service for normal maintenance, repair and care of the residence or site, such as yard maintenance or house cleaning, is allowed.
  7. Services to overnight guests and visitors. Serving alcohol and food to overnight guests and visitors is allowed and may be subject to other county or state requirements.

## Items #12, 13, 14: Short-term Rentals

### 33.207.040.B Standards (continued)

8. **Commercial meetings.** Commercial meetings are allowed with some Type B accessory short-term rentals through a conditional use review. This paragraph clarifies that they are prohibited with Type A accessory short-term rentals and that any meetings associated with a historic landmark special assessment are not considered commercial meetings.
9. **Type B Home Occupation.** This prohibition is restated from 33.203.030.B.4. to limit impacts associated with a single household by requiring a household to choose between having a home occupation OR renting out rooms on a less than monthly basis.

#### C. **Type A Accessory Short-Term Rental Permit.**

This new subsection describes the process for obtaining a 2-year permit for a Type A accessory short-term rental. The subsection is modeled on the Type B Home Occupation permit (33.203.060), because the impacts to the surrounding neighborhood of a 1 or 2 bedroom short-term rental are similar to the impacts allowed with a Type B accessory home occupation, which allows up to eight customers to come to the site a day.

The permit procedure includes a requirement that a notice announcing the resident's intent to establish a Type A short-term rental be mailed or delivered to all recognized organizations whose boundaries include the site of the proposed short-term rental, the property owner if not the applicant, and all owners of property abutting or across the street from the proposed facility. The notice will include contact information for the resident, and if applicable the resident's designee, so surrounding neighbors can contact them if there are issues once the operator starts renting out bedrooms to overnight guests. Requiring a semi-annual renewal is consistent with the Home Occupation permit, and ensures that as new neighbors move in, they will be notified on a regular basis and will have current operator contact information.

Language to be **added** is underlined  
 Language to be **deleted** is shown in ~~strike through~~

8. Commercial meetings. Commercial meetings include luncheons, banquets, parties, weddings, meetings, charitable fund raising, commercial or advertising activities, or other gatherings for direct or indirect compensation. Commercial meetings are prohibited with a Type A accessory short-term rental. A historic landmark that receives special assessment from the State, may be open to the public for 4 hours one day each year. This is not considered a commercial meeting.
9. A Type B accessory home occupation is prohibited with a Type A accessory short-term rental.

**C Type A accessory short-term rental permit.** The resident of a Type A accessory short-term rental must obtain a permit from BDS. It is the responsibility of the resident to obtain the permit every two years. The permit requires the resident, and operator if the operator is not the resident, to agree to abide by the requirements of this section, and document that the required notification requirements have been met:

1. Notification. The resident must:
  - a. Prepare a notification letter that:
    - (1) Describes the operation and the number of bedrooms that will be rented to overnight guests;
    - (2) Includes information on how to contact the resident, and the operator if the operator is not the resident, by phone; and
    - (3) Describes how the standards in Subsection .040.A and B are met.
  - b. Mail or deliver the notification letter to all recognized organizations whose boundaries include the accessory short-term rental, the property owner if not the resident, and all owners of property abutting or across the street from the accessory short-term rental. See Figure 207-1.
2. Required information for permit. In order to apply for a Type A accessory short-term rental permit, the operator must submit to BDS:
  - a. Two copies of the completed application form bearing the address of the property, the name, signature, address, and telephone number of the resident and operator if the operator is not also the resident;
  - b. A copy of the notification letter and a list with the names and addresses of all the property owners and recognized organizations that received the notification.

**Figure 207-1 Type A Accessory Short-Term Rental Permit Notice Area**

This figure has been modeled after Figure 203-1 Home Occupation Notice Area and indicates which surrounding properties need to be notified to comply with 33.207.040.C.1.b.

**D. Revoking a Type A accessory short-term rental permit**

The Bureau of Development Services has authority to impose fees or penalties for non-compliance with zoning code regulations. This subsection extends the power of the Director of the Bureau of Development Services to revoke the permit if operators do not comply with the regulations in this chapter. See amendment to Title 3 (3.30.040) in Section III Amendments to other Titles of City Code of this report for specific language.

**33.207.050 Type B Accessory Short-term Rentals**

These regulations apply to accessory short-term rentals with 3 to 5 bedrooms. The content changes to these regulations from the existing regulations for bed and breakfast facilities include:

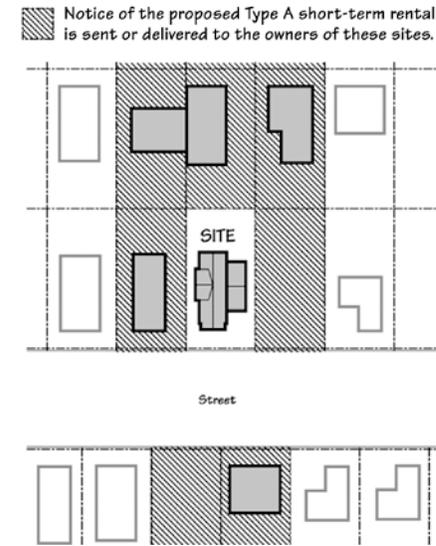
- The requirement that the house be at least 5 years old has been deleted. This addresses RICAP 6 Item #14.
- An accessory dwelling unit standard has been added to provide the operator the flexibility to live in either the main house, attached house, manufactured house on its own lot, or an accessory dwelling unit on site. This amendment addresses RICAP Item #13.
- Bedroom requirements have been added to ensure that the bedrooms being rented to overnight guests are safe for sleeping. Compliance will be addressed as part of the conditional use review process.
- The requirement limiting private social gatherings has been deleted. This can be addressed through the conditional use review.
- A Type B accessory home occupation is prohibited in a dwelling unit with a Type B accessory short-term rental, but non-resident employees may be requested as part of their conditional use review.

**A. Use-related regulations.**

1. **Accessory use.** This regulation ensures that the short-term rental is accessory to the Household Living use by requiring the resident to occupy the dwelling unit used for a short-term rental at least 270 days (roughly 9 months) during each calendar year. It also sets a limit to the number of nights a resident can have paying overnight guests and not be present in the unit to a little over 3 months.
2. **Conditional use review.** No content change to existing procedures from deleted 33.207.060 Conditional Use Review.

Language to be **added** is underlined  
 Language to be **deleted** is shown in ~~strike through~~

**Figure 207-1**  
**Type A Accessory Short-Term Rental Permit Notice Area**



- D. Revoking a Type A accessory short-term rental permit.** A Type A accessory short-term rental permit can be revoked according to the procedures in City Code Section 3.30.040 for failure to comply with the regulations of this Chapter. When a Type A accessory short-term rental permit has been revoked, a new Type A accessory short-term rental permit will not be issued to that resident at that site for 2 years.

### **33.207.050 Type B Accessory Short-term Rentals**

#### **A. Use-related regulations.**

1. Accessory use. A Type B accessory short-term rental ~~bed and breakfast facility~~ must be accessory to a Household Living use on a site. This means that ~~the a resident individual or family who operate the facility~~ must occupy the dwelling unit for at least 270 days during each calendar year, and unless allowed by Paragraph .050.B.2 or .050.B.3, the bedrooms rented to guests must be within the dwelling unit that the resident occupies ~~house as their primary residence. The house must be at least 5 years old before a bed and breakfast facility is allowed.~~
2. Conditional use review. A Type B accessory short-term rental requires a conditional use review. A Type B accessory short-term rental that proposes commercial meetings is processed through a Type III procedure. All other Type B accessory short-term rentals are processed through a Type II procedure. The approval criteria are stated in 33.815.105, Institutional and other uses in R zones.

## Items #12, 13, 14: Short-term Rentals

### B. Standards

2. **Accessory dwelling units.** This standard gives the resident operating an accessory short-term rental the option of living in an accessory dwelling unit on site. Currently these operators are only allowed to live in the house. Note that accessory dwelling units are only allowed on sites containing a house, attached house or manufactured house (not a duplex).
  
4. **Bedroom Requirements.** This standard acknowledges that the traveling public will be sleeping in unfamiliar surroundings and are at a disadvantage for evacuating a building in case of an emergency than long term residents. This requirement ensures that basic safety measures are in place through an inspection by the Bureau of Development Services. This inspection will initially be performed by the Bureau of Development Services as part of the conditional use review. The State requires all bed and breakfast facilities with more than two rooms for rent to have a license to operate and pass an annual health inspection performed by Multnomah County.

Language to be **added** is underlined  
 Language to be **deleted** is shown in ~~strike through~~

3. Allowed structure type. A Type B accessory short-term rental is allowed only in the following residential structure types:
- a. House;
  - b. Attached house;
  - c. Duplex;
  - d. Manufactured home on its own lot; and
  - e. Accessory dwelling units.

**B. Standards.**

1. ~~B.~~ Maximum size. A Type B accessory short term rental ~~bed and breakfast facilities~~ ~~is~~ ~~are~~ limited to renting a maximum of 5 bedrooms ~~for to~~ overnight guests. In the single-dwelling zones, a Type B accessory short-term rental ~~bed and breakfast facility~~ over this size limit is prohibited.
2. Accessory dwelling units. On sites with an accessory dwelling unit, the resident can live in the primary or accessory dwelling unit and rent bedrooms in either dwelling unit.
3. Detached accessory structures. A bedroom in a detached accessory structure can be rented to overnight guests, and counts toward the maximum size limit.
4. Bedroom requirements. The Bureau of Development Services must verify that each bedroom to be rented to overnight guests:
  - a. Met the building code requirements for a sleeping room at the time it was were created or converted;
  - b. Has a smoke detector that is interconnected with a smoke detector in an adjacent hallway; and
  - c. Is located on the floor of a dwelling unit equipped with a functioning carbon monoxide alarm. If the dwelling unit does not have a carbon monoxide source, then a carbon monoxide alarm is not required.
5. Number of residents and overnight guests. The total number of residents and overnight guests occupying a dwelling unit with a Type B accessory short-term rental may be limited as part of a conditional use approval.

**Items #12, 13, 14: Short-term Rentals**

- 5G. Employees.** Amendments to these regulations are grammatical only.
- 6D. Serving food and alcohol to overnight guests.** The reference to the OLCC has been removed and replaced with more generic language that refers to other county or state requirements that may apply to accessory short-term rentals. Compliance with these other regulations is the responsibility of the operator, and typically not a zoning code requirement.
- 7E. Commercial meetings.** Amendments to these regulations are grammatical only. The paragraph now includes information on historic landmarks and the required meeting log. Amendments improve code enforcement by allowing city staff to inspect the meeting log.
- ~~2~~. Private social gatherings (deleted).** This restriction has been deleted. Household Living nor other accessory activities in residential zones (e.g. home occupations, food buying clubs, community supported agriculture distribution sites, daycare) have this limitation on private social gatherings.

Language to be **added** is underlined  
 Language to be **deleted** is shown in ~~strike through~~

- ~~6C.~~ 6C. Employees. ~~Bed and breakfast facilities may have n~~Nonresident employees for ~~such~~ activities such as booking rooms and food preparation, ~~if may be~~ approved as part of the conditional use review. Hired service for normal maintenance, repair and care of the residence or site such as yard maintenance or house cleaning, is allowed~~may also be approved~~. The number of employees and the frequency of employee auto trips to the facility may be limited or monitored as part of a conditional use approval.
- ~~7D.~~ 7D. Services to guests and visitors. Serving alcohol and food to guests and visitors is allowed and may be subject to other county or state requirements. ~~The proprietor may need Oregon Liquor Control Commission approval to serve alcohol at a bed and breakfast facility.~~
- ~~8E.~~ 8E. Commercial Mmeetings and social gatherings.
- a1. Commercial meetings. Commercial meetings include luncheons, banquets, parties, weddings, meetings, charitable fund raising, commercial or advertising activities, or other gatherings for direct or indirect compensation. Commercial meetings in ~~bed and breakfast facilities~~ are regulated as follows:
- (1)~~a.~~ a. In the single-dwelling zones, commercial meetings are prohibited ~~at a bed and breakfast facility;~~
- (2)~~b.~~ b. In the multi-dwelling all other zones, ~~the residents of a bed and breakfast facility may request~~ up to 24 commercial meetings per year may be approved as part of a ~~C~~conditional ~~U~~use ~~R~~review. The maximum number of visitors or guests per event will be determined through the ~~C~~conditional ~~U~~use ~~R~~review. Adjustments to the maximum number of meetings per year are prohibited.
- ~~2.~~ 2. ~~Private social gatherings. The residents of a bed and breakfast facility are allowed to have only 12 private social gatherings, parties, or meetings per year, for more than 8 guests or visitors. The private social gatherings must be hosted by and for the enjoyment of the residents. Private social gatherings for 8 or fewer guests are allowed without limit as part of a normal Household Living use at the site.~~
- b3. Historical landmarks. ~~A bed and breakfast facility which is located in a~~ A historical landmark that~~and which~~ receives special assessment from the State, may be open to the public for 4 hours one day each year. This does not count as ~~either a commercial meeting or a private social gathering.~~
- c4. Meeting log.~~The bed and breakfast operator must log the dates that private social gatherings for more than 8 visitors or guests are held, and the number of visitors or guests at each event. The operator must also log the dates of all commercial meetings held, and the number of visitors or guests at each event. The log must be available for inspection by City staff upon request.~~

**33.212.050 Site related Standards (deleted)****A. Development Standards (deleted)**

This standard is part of the general requirements listed at the beginning of the Zoning Code, so its inclusion here is unnecessary and redundant.

**B. Appearance**

No content changes. This standard has been renumbered to be included within the new standards subsection 33.207.050.B.

10. Type B Home Occupation. This prohibition is restated from 33.203.030.B.4. to limit impacts associated with a single household by requiring a household to choose between having a home occupation OR renting out rooms on a less than monthly basis. Nonresident employees can be requested as part of the conditional use review.

**C. Signs (deleted).**

The sign regulations continue to apply. References to Title 32, Signs, are being removed as it has been more than 12 years since the sign regulations were moved from the Zoning Code and into their separate title; typically other city titles are not referred to in Zoning Code regulations.

**D. Accessory dwelling units (deleted)**

This is unnecessary and redundant, all accessory dwelling units must comply with Chapter 33.205.

**33.207.060 Conditional Use Review**

No content change. This section was moved to 33.207.050A.2. These amendments replace the term "bed and breakfast facility" with "Type B accessory short-term rental". A sentence has also been revised to clarify that apart from proposals that include commercial meetings, all Type B short-term rentals are processed through a Type II conditional use procedure.

**33.207.070 Monitoring**

No content changes. The monitoring requirement applies to all accessory short term rentals for purposes of demonstrating compliance with the requirements of this chapter.

Language to be **added** is underlined  
 Language to be **deleted** is shown in ~~strike through~~

### **~~33.212.050~~ Site-Related Standards**

~~A. **Development standards.** Bed and breakfast facilities must comply with the development standards of the base zone, overlay zone, and plan district, if applicable.~~

9B. Appearance. Residential structures may be remodeled for the development of a bed and breakfast facility. However, structural alterations may not be made which prevent the structure being used as a residence in the future. Internal or external changes that will make the dwelling appear less residential in nature or function are not allowed. Examples of such alterations include installation of more than three parking spaces, paving of required setbacks, and commercial-type exterior lighting.

10. A Type B accessory home occupation is prohibited with a Type B accessory short-term rental.

~~C. **Signs.** The sign standards are stated in Title 32, Signs and Related Regulations.~~

~~D. **Accessory dwelling units.** Accessory dwelling units must meet all requirements of Chapter 33.205, Accessory Dwelling Units.~~

### **~~33.212.060~~ Conditional Use Review**

~~Bed and breakfast facilities require a conditional use review. A facility that proposes commercial meetings as provided in 33.212.040.E.1.b is processed through a Type III procedure. The review for all other facilities is processed through a Type II procedure. The approval criteria are stated in 33.815.105, Institutional and other uses in R Zones.~~

### **~~33.212~~207.0670 Monitoring**

All accessory short-term rentals~~bed and breakfast facilities~~ must maintain a guest log book. It must include the names and home addresses of guests, guest's license plate numbers if traveling by car, dates of stay, and the room assigned to~~number of~~ each guest. The log must be available for inspection by City staff upon request.

**33.207.080 Pre-Established Bed and Breakfast Facilities**

The term "bed and breakfast facilities" is retained for those facilities that were approved prior to the change in terminology to "accessory short-term rentals". This ensures that those facilities may continue under the terms of their prior approvals, and do not need to obtain a new approval through a conditional use or permit.

Language to be **added** is underlined  
Language to be **deleted** is shown in ~~strike~~through

### **33.~~207212.0780~~ Pre-Established Bed and Breakfast Facilities**

- A. Facilities without a revocable permit.** Bed and breakfast facilities that were operating before May 24, 1988 and which did not receive a revocable permit, may continue to operate as an approved conditional use if the operator can show proof that the operation was established through City licensing. The requirements for verification are listed below.
1. The facility was operating with a City business license or was granted exemption from the business license requirement;
  2. City transient lodging taxes were paid part or all of the tax period preceding May 24, 1988; and
  3. The owner or operator can document that the Portland Bureaus of Planning or Buildings approved the site for a bed and breakfast facility prior to purchase, construction, or remodeling of the facility.
- B. Alterations and Expansions.** The approved conditional use status provided for in Subsection 070.A. ~~above~~ applies only to the number of bedrooms, and size of facility that existed on January 1, 1991. Any expansions of building area or alterations, that increase the intensity of the facility, are not allowed unless approved through a conditional use review as provided in Section ~~33.207212.0560.A.2.~~
- C. Facilities with a revocable permit.** Bed and breakfast facilities operating under approved revocable permits are subject to the regulations for revocable permits in 33.700.120, Status of Prior Revocable Permits.

**Items #12, 13, 14: Short-term Rentals****33.910 DEFINITIONS****33.910.030 Definitions****Household**

The current definition of household recognizes marriage and other legally established relationships, but omits domestic partnerships, which were established by the State in 2007. ORS 106.340 grants any privilege, immunity, right or benefit that a married individual has to an individual in a domestic partnership. This amended language ensures that the City's zoning code is applied consistently with State law.

Language to be **added** is underlined  
Language to be **deleted** is shown in ~~strike through~~

## **CHAPTER 33.910 DEFINITIONS**

### **33.910.030 Definitions**

The definition of words with specific meaning in the zoning code are as follows:

**Household.** One or more persons related by blood, marriage, domestic partnership, legal adoption or guardianship, plus not more than 5 additional persons, who live together in one dwelling unit; or one or more handicapped persons as defined in the Fair Housing Amendments Act of 1988, plus not more than 5 additional persons, who live together in one dwelling unit.

**Items #12, 13, 14: Short-term Rentals****33.920 DESCRIPTIONS OF THE USE CATEGORIES****33.920.110 Household Living**

Technical amendments to Chapter 33.920, Description of Use Categories replaces reference to bed and breakfast facilities with accessory short-term rentals.

Language to be **added** is underlined  
Language to be **deleted** is shown in ~~strike through~~

## CHAPTER 33.920 DESCRIPTIONS OF THE USE CATEGORIES

### 33.920.110 Household Living

- A. Characteristics.** Household Living is characterized by the residential occupancy of a dwelling unit by a household. Tenancy is arranged on a month-to-month basis, or for a longer period. Uses where tenancy may be arranged for a shorter period are not considered residential. They are considered to be a form of transient lodging (see the Retail Sales And Service and Community Service categories). Apartment complexes that have accessory services such as food service, dining rooms, and housekeeping are included as Household Living. Single Room Occupancy housing (SROs), that do not have totally self contained dwelling units are also included if at least two thirds of the units are rented on a monthly basis. SROs may have a common food preparation area, but meals are prepared individually by the residents. In addition, residential homes as defined by the State of Oregon are included in the Household Living category (see Chapter 33.910, Definitions).
- B. Accessory Uses.** Accessory uses commonly found are recreational activities, raising of pets, hobbies, and parking of the occupants' vehicles. Home occupations, accessory dwelling units, ~~bed and breakfast facilities~~ accessory short-term rentals, and food membership distribution are accessory uses that are subject to additional regulations.
- C.-D. [No change]**



### **III. Amendments to other Titles of City Code**

The following additional amendments affect non- Title 33 zoning code portions of the City's regulations. These regulations are contained in separate Titles of City Code. They are being presented in a separate section of this report, because while they are intended to complement the regulations in the Zoning Code, they are not land use regulations and are subject to a different legislative adoption process.

Like the previous section of this report, the amendments to code language are on the odd-numbered pages. The facing (even-numbered) pages contain commentary about the proposed amendment.

For more information about the zoning code amendments, refer to Section II.

**Items #12, 13, 14: Short-term Rentals****Amendments to Title 3 Administration**

The amendments to 3.30.040.B.5 give the Bureau of Development Services Director the authority to revoke a Type A Accessory Short-Term Rental Permit for failing to comply with the regulations in Chapter 33.207.

Other changes are grammatical in nature.

Language to be **added** is underlined  
Language to be **deleted** is shown in ~~strike through~~

### **3.30.040 Administration and Enforcement.**

In order to carry out the duties as set forth in Section 3.30.010, the Director of the Bureau of Development Services may:

**A.-C.** [No change]

**D.** Gain compliance by:

1. Instituting an action before the Code Hearings Officer in the manner provided for by Title 22 of this Code~~;~~ ~~or~~
2. Causing appropriate action to be instituted in a court of competent jurisdiction~~;~~ ~~or~~
3. Issuing a code violation citation directly to the contractor or person responsible for carrying out the work. Any person receiving a citation for violating the provisions of the City Code administered by the Bureau of Development Services shall be subject to a fine of up to \$1,000 for each citation issued.
4. Taking other lawful action.
5. Revoking a Type B home occupation permit for failure to comply with the regulations of City Code Chapter 33.203 or revoking a Type A accessory short-term rental permit for failure to comply with the regulations of City Code Chapter 33.207 by using the following procedures:
  - a. – d. [No change]

**E.** [No change]

**Items #12, 13, 14: Short-term Rentals****Amendments to Title 6 Special Taxes**

To promote consumer information and aid in tracking short-term rental permit activity, Title 6, Administration, Chapter 6.04 Transient Lodging Tax amendments require Type A Permit Numbers or Type B Conditional Use case file numbers in all advertisements for the short-term rental. Additionally, the permit number or conditional use case file number is required to be prominently displayed in the rental unit. Staff from the Revenue Bureau and Planning and Sustainability collaborated on these amendments.

Language to be **added** is underlined  
Language to be **deleted** is shown in ~~strike~~through

#### **6.04.060 Registration of Operator; Form and Contents; Execution, Certification.**

**A.-C. [No change]**

**D.** Operators of Type A and Type B accessory short-term rentals as described in Section Chapter 33.207 must include their Type A Permit Number or Type B Conditional Use case file number, as applicable, in all advertising and other listing services. No person shall advertise or otherwise represent that an accessory short-term rental has received approval unless that person holds a current, valid permit or Conditional Use case file. Additionally, this Permit Number or Conditional Use case file number shall be prominently displayed in the rental unit so as to be seen by all short-term occupants.



City of Portland, Oregon | Bureau of Planning and Sustainability | [www.portlandoregon.gov/bps](http://www.portlandoregon.gov/bps)  
1900 SW 4th Avenue, Suite 7100, Portland, OR 97201 | phone: 503-823-7700 | fax: 503-823-7800 | tty: 503-823-6868

*Printed on 100% post-consumer waste recycled paper.*

## Economic Prosperity and Job Growth

- When planning for the long-term growth of our city, growing the local economy and creating jobs is a key goal.
  - We want a city where every Portlander who wants a stable, well-paying job has one and can afford to meet their basic needs.
- As we update the 20-year plan, we look at *what types of jobs* and *how many jobs* we're likely to get, as the city grows.
- By 2035, Portland is expected to add about 142,000 new jobs. Today, we have about 370,000 jobs.
  
- Portland is fortunate to have a relatively balanced economy with employment spread over four broad sectors: show employment map with percentages from CPU intro
  1. the Central City, which is mostly commercial and office space, with some institutions and industrial space mixed in
  2. hospitals and colleges, located mostly on campuses
  3. neighborhood business districts, spread throughout the city
  4. And industrial areas, along the Willamette river, near the airport --and -- in more urban places, like the central eastside
- To make room for all these new jobs, **we need land** and infrastructure, like roads, rail yards, and marine terminals.
- The Comprehensive Plan proposes policies and infrastructure investments to support *all four of these employment types*, in ways that make sense for their unique needs -- while also balancing the impacts of this growth with the natural environment and surrounding communities.
  
- 1. The Central City**
  - With almost 125,000 jobs and the expectation to grow by another 45,000 jobs, the Central City is the region's and the state's highest-density employment center.
  - It supports the growth of a wide variety of office sectors, industry and institutions.

- Planning proposals suggest strengthening the Central City as a location for job creation by addressing development issues that affect businesses, like xyz.

## **2. Campus Institutions**

- Hospitals and colleges make up nearly a quarter of Portland's jobs. These world class medical centers and higher education institutions are major employers – and also essential service providers and centers of innovation.
- If recent trends continue, these campus institutions are projected to be the city's leading job growth sector over the next 25 years with a forecasted 53,000 new jobs.
- Nearly half of those jobs are concentrated in 19 large campuses that are at least 10 acres.
- This exciting job growth is putting pressure on these campuses to grow and expand.
- The Comprehensive Plan proposes zoning map and code changes that will provide room for these campuses to grow while protecting the surrounding neighborhoods from off-site impacts.

## **3. Neighborhood Business Districts**

- Another quarter of Portland's jobs are in neighborhood commercial areas.
  - Located throughout the city in neighborhood centers like Hollywood, Multnomah, Montavilla and St. Johns, these diverse business districts are mostly comprised of small businesses.
- These shops and services help create “complete neighborhoods” and keep local dollars circulating in our community, providing goods and services to nearby residents.
- These small employers are a source of job growth, minority entrepreneurship and neighborhood health.
- While many neighborhood districts are thriving, prosperity is uneven across Portland. The Comprehensive Plan proposes zoning map and code changes to

ensure they are more accessible to shoppers and employees alike -- by foot, bike or transit.

- New mixed use zoning will also help to enhance vibrant commercial districts with a diverse range of housing and commercial space -- creating desirable places to live, work and visit; that are supportive and sensitive to adjacent residential areas.

#### 4. Industrial Areas

- Finally, Portland's industrial areas include about 87,000 jobs -- or another quarter of Portland's employment base.
  - Including trades like welding, metals fabrication and ship building, these industrial employers offer the bulk of the family-wage jobs that are available to people without a college-degree.
- About 32,000 new industrial jobs are forecasted -- but a constrained land supply makes this job growth a major challenge.
- Nearly half of the city's vacant industrial land cannot be easily used due to contamination, transportation access issues, or proximity to sensitive natural resources, like wetlands.
  - The remaining land is not enough to meet the demand.
- With few options for expansion, Portland must support our existing industrial businesses to grow and redevelop underutilize sites, like brownfields, for more intensive uses.

The Comp Plan has four key strategies to support industrial job growth:

*First – we need to protect and use existing industrial land more efficiently.* One way to encourage businesses to grow on existing sites is to invest in freight-related infrastructure projects that will improve access to key employment sites and facilities like port terminals, the airport, and rail yards.

*The second strategy is brownfield re-investment –* Portland has nearly 550 acres of vacant and under-utilized brownfields in industrial areas. New public incentives that support expensive brownfield remediation will

leverage investment to bring these contaminated properties back into productive use.

*Third - There are a few opportunities to rezone land for industrial use.*

Recently, the Colwood Golf Course, a private course near the airport, went through a process to convert about 50 acres for industrial development, while protecting 100 acres for open space and habitat. The Comp Plan proposes to change the map designations on two other private golf courses to make it possible, but it will be up to the golf course owners to pursue this option. West Hayden Island presents another opportunity to meet the future demand for marine terminal capacity.

*And fourth – the comprehensive plan proposes changes to improve access to living wage jobs in in East Portland — creating more opportunities for a variety of small to medium-sized flex spaces for creative services, craft-manufacturing, small-scale distribution, and other neighborhood-compatible light-industrial businesses, especially in areas in East Portland in Gateway and along 82<sup>nd</sup> and 122<sup>nd</sup> Avenues.*